Management Discussion & Analysis

For the Nine Months Ended September 30, 2018

Introduction

This is Management's Discussion and Analysis ("MD&A") for Millrock Resources Inc. ("Millrock" or the "Company") and should be read in conjunction with the consolidated financial statements for the quarter ended September 30, 2018 and supporting notes. These consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS").

The Company, in compliance with the Canadian Institute of Chartered Accountants ("CICA") Accounting Standards Board ("AcSB"), adopted the use of the IFRS and transitioned from Canadian Generally Accepted Accounting Principles ("Canadian GAAP") to IFRS by the required date of January 1, 2011.

The Company's board of directors follow recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's Audit Committee meets with management regularly to review the consolidated financial statements, including the MD&A, and to discuss other financial, operating and internal-control matters.

Readers should note the following:

- This MD&A has been prepared based on information known to management as of November 27, 2018.

- All currency amounts are expressed in Canadian dollars unless otherwise noted.

- Gregory A. Beischer, a Director of the Company and its President and Chief Executive Officer, is the qualified person (as defined in NI 43-101) who approved the technical information in this MD&A.

Description of Business

Millrock Resources Inc. ("Millrock" or the "Company") is engaged in the acquisition and exploration of mineral properties prospective for gold, copper and other metals. The principal mineral exploration targets include intrusion-related gold and copper-gold porphyry deposits and vein style gold-silver deposits.

Millrock is active in multiple geologic terrains and mineral districts with twenty-three mineral exploration projects in the United States and Mexico as follows:

- United States: Five gold and copper projects in Alaska, three projects in New Mexico targeting uranium, lithium, and gold.
- Mexico: Fifteen gold, silver and copper projects, primarily in Sonora

The Company follows a Project Generator – Joint Venture business model that capitalizes on Millrock's knowledge and ability to identify high quality exploration targets and execute exploration programs under the terms of earn-in option agreements. This business model shares risk by forming agreements with other companies that invest capital to move exploration projects toward development and production.

At quarter end, three companies were earning an interest in Millrock's projects: Centerra Gold ("Centerra"), Kinross Gold Corporation ("Kinross"), and Sojourn Exploration Inc. TSX:V: SOJ) ("Sojourn"). Additionally, Millrock is exploration operator on the Alaska Range Project being funded by ASX listed company PolarX Mining Ltd. Presently six different projects are being advanced with funding from partners.

Millrock trades on the TSX Venture Exchange under the symbol MRO and is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Nunavut. The Company also trades on the OTCQX marketplace in the United States under the symbol MLRKF.

Forward Looking Statements

This document may contain "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and mineral resources, mineral exploration programs, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology.

By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of mineral resources; and other risks of the mineral exploration and mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Risks and Uncertainties

i) Exploration and Development Risk

The Company's properties are in early exploration stages and are without a known body of commercial ore. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting mineral exploration programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that an ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit such as size, grade and proximity to infrastructure, commodity prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors cannot be predicted and are beyond the control of the Company. The Company attempts to mitigate its exploration risk by maintaining a diversified portfolio that includes several metal commodity targets in a number of geologic and political environments. Management also balances exploration risks through earn-in option agreements with other companies.

Beyond exploration and development risk, management is faced with a number of other risk factors. The more significant ones include:

ii) Financial Markets

Presently, the Company strives to obtain the majority of its working capital from other companies that are funding exploration on Millrock projects in order to earn an interest in the mineral rights. However, the Company will be dependent on the equity markets as its main source of operating working capital and funding for any advanced exploration and development activities that may be needed on its projects. The Company's capital resources are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. Consequently, there can be no assurance that equity financing will be available to the Company in the amount required at any time or for any period or if available, that it can be obtained on terms satisfactory to the Company.

iii) Metal Prices

The price of gold is affected by numerous factors including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, supply and demand, political, economic conditions and production levels. In addition, the price of gold has been volatile over short periods of time due to speculative activities. The price of other metals and mineral products that the Company may be exploring for, all have the same or similar price risk factors. The prevailing price of metals and speculation on future price of metals by the investing public can have strong impacts on the share prices of exploration companies like Millrock.

iv) Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company conducts business in the USA, Canada and Mexico. Expenditures in each jurisdiction are typically paid in local currency. However, a significant portion of its operating expenses are incurred in U.S. dollars. Financial results are reported in Canadian dollars. Therefore, changes in foreign exchange rates could result in a significant change in the results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations as the Company considers these risks at a minimum.

v) Cash Flows

The Company currently has no revenue from its exploration operations. However, it does generate revenues from overhead recovery fees charged to third parties funding exploration for administration of project development work. If any of its exploration programs are successful and optionees of properties complete the agreed earn-in expenditures, the Company would have to provide its share of ongoing exploration and development costs in order to maintain its interest. Otherwise the Company's interest will normally reduce to a non-participating royalty interest as defined in the agreement. Additional capital would be required to put a property into commercial production. The sources of funds currently available to the Company are the sale of its marketable securities, equity capital or the offering of an interest in its projects to another party.

vi) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and cash equivalents and amounts receivable are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness. The majority of the Company's cash is held through large Canadian and US financial institutions with a high investment grade rating.

vii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk through the management of its capital structure and financial leverage. The Company insists on pre-payment of costs for exploration programs that have been approved by partner companies. Work does not commence unless funds to cover the cost of the work have been received. Accounts payable and accrued liabilities are due and paid within the current operating period.

viii) Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any short-term investments included in cash due to the short term nature.

ix) Market Volatility for Marketable Securities

The Company's marketable securities consist of shares of exploration companies that are historically very volatile. There is no assurance that the Company will be able to recover the current fair market value of those shares. The Company also may not be able to sell the shares it holds in other companies in an illiquid market.

x) Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the financing of its business by the issuance of securities and possibly incurring debt. Any transaction involving the issuance of previously authorized but unissued shares of common stock, or securities convertible into common stock, would result in dilution, possibly substantial, to present and prospective holders of common stock. The Company usually seeks earn-in option agreement partners to fund in whole or in part exploration projects. This dilutes the Company's interest in properties. This dilution is undertaken to spread or minimize the risk and to expose the Company to more exploration opportunities. However, it means that any increased market capitalization or profit that might result from a possible discovery would be shared with the option agreement partner. There is no guarantee that the Company can find a third party to enter an earn-in agreement for any property.

xi) Material Risk of Dilution Presented by Large Number of Share Purchase Options and Warrants

At quarter end there were 5,260,000 stock options and 34,928,321 warrants outstanding. Directors and officers held 3,370,000 of the options and 415,410 of the warrants, and 1,890,000 of the options were held by employees and consultants of the Company. As of the quarter end there were 56,890,123 shares issued and outstanding. On a fully diluted basis including stock options and warrants the Company has a capitalization of 96,891,844 shares. Subsequent to quarter end 670,000 warrants expired. Therefore at report date the Company has a fully diluted capitalization of 96,221,844.

xii) Trading Volume

The relatively low trading volume of the Company's shares reduces the liquidity of an investment in its shares. Trading volumes fluctuate with market conditions and seasons. The Company attempts to reduce this risk by having multiple projects that are continually generating news and therefore investor interest and trading volume.

xiii) Volatility of Share Price

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries or discouraging exploration results, changes in financial results, and other factors could have a significant effect on share price.

xiv) Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other exploration and mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

xv) Dependence on Management

The Company depends heavily on the business expertise of its management. There is risk to the Company's ability to execute its business plans if some or all of the current management team were to suddenly leave the Company or become incapable of performing their individual and collective responsibilities. The Company has mitigated the risk of its managers leaving for other companies through competitive compensation, cash bonuses and by providing options to purchase Millrock stock. Some of the senior managers hold substantial share positions in Millrock and are motivated to remain with the Company. The Company has also developed the necessary depth such that it can replace senior managers with more junior staff if necessary. Despite the mitigation measures the Company still depends heavily on its current management.

xvi) Title Risk

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee a clear title. Property title may be subject to unregistered prior agreements and regulatory requirements. The Company is not aware of any disputed claims of title.

xvii) Environmental

The Company's exploration and development activities are subject to extensive laws and regulations governing environment protection. The Company is also subject to various reclamation related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by non-governmental organizations has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

xviii) Laws and Regulations

The Company's exploration activities are subject to extensive federal, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

xix) Mineral Resource Estimates

The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. No assurances can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated. Millrock has not prepared or published any mineral resource estimates for any of its properties.

Use of the Terms "Mineral Resources" and "Mineral Reserves"

Any reference in this MD&A to Mineral Resources does not mean Mineral Reserves. Under NI 43-101, a Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined. Mineral Resources are sub-divided, in order of increasing geologic confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

The terms "Mineral Reserve," "Proven Mineral Reserve" and "Probable Mineral Reserve" are Canadian mining terms as defined in accordance with NI 43-101 and the CIM Standards. These definitions differ from the definitions in SEC Industry Guide 7 under the U.S. Securities Act. Under SEC Industry Guide 7, a reserve is defined as part of a mineral deposit which could be economically and legally extracted or produced at the time the reserve determination is made. Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "Mineral Resource," "Measured Mineral Resource," "Indicated Mineral Resource" and "Inferred Mineral Resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. "Indicated Mineral Resource" and "Inferred Mineral Resource" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Indicated Mineral Resource or Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an Inferred Mineral Resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this MD&A filed herewith or incorporated by reference herein contain descriptions of mineral deposits that may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under United States federal securities laws and the rules and regulations promulgated thereunder.

CAUTIONARY NOTE TO U.S. INVESTORS REGARDING MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Cautionary Note – The United States Securities and Exchange Commission ("SEC") permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. Millrock Resources Inc. uses certain terms such as "measured", "indicated", "inferred", and "mineral resources," which the SEC guidelines strictly prohibit U.S. registered companies from including in their filings with the SEC. Accordingly, information contained in this MD&A contains descriptions of our mineral deposits that may not be comparable to similar information made public by U.S. companies which are subject to the reporting and disclosure requirements under United States federal securities laws and the rules and regulations promulgated thereunder. Millrock is not a U.S. registered company, however, it does trade through the OTCQX marketplace, some of its projects are in the U.S., the Company owns two U.S.-based subsidiary companies, the main operational office is in Anchorage, Alaska, and there are a substantial number of U.S. shareholders of Millrock. For these reasons Millrock cautions U.S. investors regarding mineral resource and mineral reserve estimates that may be mentioned in this MD&A.

Additional Information

Financial statements, MD&A documents and additional information relevant to the Company and the Company's activities can be found on SEDAR at www.SEDAR.com, and/or on the Company's website at http://www.millrockresources.com.

General

The Company continued to advance its business objectives through the third quarter of 2018. In total, Millrock expended $8,003,234 on exploration through the third quarter of 2018, of which $7,120,074 was supplied by companies that are earning an interest in Millrock's projects. Additionally, the Company spent $321,922 on generative exploration through the third quarter.

Highlights for Quarter Ended September 30, 2018

- Two projects, La Navidad and El Picacho, are currently very active and being funded by Centerra. Drilling was carried out at both projects.
- A major drilling program at the Alaska Range Project was funded by PolarX. Drilling results along strike from the copper-gold deposit at Zackly were encouraging.

- Millrock sold its projects in the Golden Triangle for shares in Sojourn Exploration Inc. ("Sojourn" – TSXV:SOJ) Sojourn raised nearly $3 million and new management was installed at the company. Millrock now owns a 16.1% interest in the Sojourn and holds royalties on the properties.

Outlook

While mining markets and availability of capital for junior explorers remains soft, the fundamentals for further commodity price increases appear to be good. Throughout the past two years Millrock has generated projects throughout Alaska and Mexico and made acquisitions in the Golden Triangle of British Columbia. Millrock was able to purchase some excellent exploration projects at very low cost. Now that capital is starting to flow back into our sector we have begun to realize robust, partner-funded exploration budgets from existing partner companies. New partnerships to fund exploration and drilling are being formulated. Presently it is anticipated that Millrock will realize in excess of US$5 million of partner-funded exploration on its properties. Millrock will generate management fees for executing this work on behalf of partners. With robust partner-funded exploration budgets Millrock is poised for discovery of valuable mineral deposits.

Operations Review

United States Properties

Millrock owns and operates five mineral exploration projects in Alaska and three in New Mexico, USA. The following provides a summary description of the properties at which there were active exploration field operations or office work, or any related corporate developments.

1) **Alaska Range (Stellar) Project, Alaska, United States, Gold:** On July 26th, 2017, Millrock announced that it had closed the sale of the Stellar copper-gold project to Coventry Resources (ASX: CYY, "Coventry") for a 10.738% stake in the company. Coventry owns the nearby Caribou Dome ("CD") copper deposit, which is reported by Coventry, to have a high-grade resource. Upon closing of the transaction, Coventry announced that it had successfully raised AUS$5.5 million, and subsequently changed its name to PolarX. PolarX funded a major drilling campaign on the Stellar Project that was completed by Millrock in 2017. Two drill rigs were used to drill holes at the high-grade copper-gold skarn deposit called Zackly. The program's primary objective was to bring the historic, high-grade, copper-gold resource to meet the standards of the Australian Joint Ore Reserves Committee (JORC) resource. Approximately 2,000 meters were drilled in 13 holes. Additionally, baseline environmental studies were conducted at both Zackly and CD. Sulfide mineralization was intersected in many of the holes. Good core recovery was realized (unlike in the historic drilling campaigns). During the quarter PolarX calculated and announced a JORC compliant resource estimate for the Zackly deposit of 3.4Mt @ 1.2% Cu, 2.0g/t Au and 14.0 g/t Ag for 91 Mlb copper, 213,000 oz gold and 1.5 Moz silver. Note: the qualified person supervised the field component of the drilling program. However, he was not involved in the resource

calculation and cannot attest to the accuracy of the calculation. Millrock does not consider its interest in the estimated resource to be material to the Company and therefore has not filed a resource estimate report on SEDAR.

On behalf of PolarX, Millrock executed a drilling program in the third quarter of 2018. The program was designed to test for extensions of the Zackly skarn deposit and depth and along strike and potentially to find a more significant porphyry-style deposit. The work was very successful. The Zackly deposit was extended 850 meters along strike to the east where flat-lying gold enriched skarn was intersected in three holes over significant widths. Also, surface sampling and airborne magnetic surveys confirmed high-potential, drill-ready porphyry targets at the Mars and Zackly SE prospects.

2) **Liberty Bell, Alaska, United States, Gold:** Millrock acquired an option on this project from a private company called Boot Hill Gold. The Company can earn a 100% interest with no underlying royalty for US$700,000 with most of this cost coming in the last year of the final years of the agreement. The claims host gold mineralization in a small deposit that has not been fully delineated. The deposit is of the distal skarn variety. There is very good exploration potential to find more deposits nearby. In 2016 Kinross made an option to joint venture agreement with Millrock. Kinross assumed responsibility to meet the holding costs of the underlying agreement during the option period. To earn a 70% interest Kinross must make at least $5.0 million in exploration expenditures, and make advanced minimum royalty payments. Millrock operates the exploration and earns management fee revenue. A surface exploration program consisting primarily of soil geochemical sampling was done in summer 2017 and targets were generated for follow up work. Late in 2017 Millrock became aware that an individual had overstaked many of the claims. The title issue was resolved during the quarter. A field program consisting of induced polarization geophysical surveys, soil sampling, geological mapping and prospecting was carried out during the quarter. Some strong soil anomalies were detected and drill targets were finalized.

3) **Apex El Nido, Alaska, United States, High Grade Vein Gold:** Millrock made an option agreement with the underlying owner. The option is good for five years and costs Millrock US$1,000 per year. There are historical underground mine workings on the project from which approximately 25,000 ounces of gold was extracted. No drilling beneath the workings has ever been done. Quartz veins of the mesothermal variety locally contain high grade gold mineralization. The veins may extend below the workings. Millrock has been marketing this project to prospective partners.

4) **West Pogo (WP) project and database, Alaska, United States, Gold:** Millrock purchased a database for the Goodpaster Mining District for US$100,000. It represents more than $5 million worth of exploration work. Millrock's strategic agreement with a funding company paid the cost of this purchase. Millrock merged

the data with its own database and the Company now owns what it believes to be the most comprehensive database for the Goodpaster Mining District in existence. Along with the database, Millrock also purchased mining claims. Additional claim blocks were acquired by option agreement and staking. Funding for the acquisitions and exploration work was provided by Millrock's strategic alliance partner at the time. The partner has elected to terminate the alliance and Millrock is now free to partner these projects with other companies. The West Pogo project is attractive because it is within sight of the Pogo Gold Mine (operated by Sumitomo Gold Mining) and there is good evidence to suggest that the same structures that host the gold deposit being mined by Sumitomo trend onto Millrock's property. More recently, the Pogo Gold Mine was sold by Sumitomo to mid-tier producer Northern Star. They have indicated a new discovery of a gold deposit close to Millrock's claims and west of the existing mine. Millrock is seeking a partner for the project and presented the project to several different companies during the quarter.

5) **Goodpaster Properties, Alaska, United States, Gold:** Millrock purchased claim blocks from Kiska Metals that strengthens its large land position covering high-potential gold targets in the Goodpaster Mining District, near the Pogo gold mine, in central Alaska. Millrock is seeking a partner for these claim blocks.

6) New Mexico Properties: Millrock owns a uranium deposit (Red Basin project), a gold project and a lithium brine project in New Mexico and has been slowly advancing the prospects while seeking a partner.

Canada Properties

On December 14, 2015 Millrock announced that it had entered into a series of purchase and option-to-purchase agreements to consolidate three major land packages in the "Golden Triangle" area. This is an attractive, active, exploration and mine development district near the town of Stewart, British Columbia, Canada. Later, in the second quarter of 2016 an additional property was purchased, and two of the properties were linked together by staking. The three resulting properties collectively measure approximately 60,000 hectares (600 square kilometers) in area. The projects, briefly described below are named Todd Creek, Oweegee Dome and Willoughby. The projects are prospective for gold and polymetallic base metal deposits and cover known mineral occurrences distributed along favourable structures in the lower Hazelton Group rocks that are known to host many of the known mineral deposits in the district. Millrock formed an option agreement on Oweegee Dome and Willoughby with Sojourn, and granted a first right of refusal on the Todd Creek project to the same company. Sojourn funded work on Oweegee Dome and Willoughby and Millrock did exploration on Todd Creek in 2017. In the third quarter a transaction by which Millrock sold the Golden Triangle assets to Sojourn was completed. Millrock is a 16.1% shareholder of Sojourn and holds a royalty on three properties. Sojourn management was replaced with BC geology and metallogeny experts and Sojourn raised $2.9 million. The new management team brought four of their own projects into their company and they intend to follow a similar business model as Millrock. The result of this transaction is a well-financed exploration company managed by an outstanding technical team that will specialize as a British Columbia Project Generator company, with Millrock as a major shareholder.

Mexico Properties

On June 6, 2014 the Company entered an agreement to purchase Pembrook Mexico Holdings ("PMXH") and all of its assets, which included the shares of a wholly-owned Mexican subsidiary and nine 100%-owned mineral properties, two mineral properties under option, an extensive geological database and various exploration equipment. The projects, primarily located in the State of Sonora, Mexico, have potential for large-scale copper-gold porphyry deposits, epithermal gold deposits, orogenic gold deposits, high-grade vein gold deposits, and skarn and replacement-style silver-zinc-lead deposits. In the years since, Millrock has actively generated more projects.

The Company was successful in attracting funding for projects from Centerra Gold. In 2016 Millrock entered into earn-in agreements for the Los Cuarentas and Los Chinos properties with Centerra, and early in 2017 formed a strategic alliance with that company.

1) **Los Cuarentas, Sonora, Mexico, Gold, Silver, Copper, 100%:**
   Previously Millrock had divided Los Cuarentas into two portions. The eastern portion hosts very large, intense, zoned alteration system typical of porphyry copper deposits. The western portion is situated on a continuation of the mineralized structure associated with the adjoining Mercedes gold-silver mine that is operated by Premier Gold Mines Limited. In this area of the claim block there is potential for high-grade epithermal gold deposits. During the latter part of 2016 a comprehensive surface exploration program consisting of stream sediment sampling program, soil and rock sampling, geological mapping, magnetic and induced polarization geophysical surveys, and drill road building. The work was funded by Centerra. Several quality drill targets were identified but Centerra decided to terminate its option. Millrock has since made an option to purchase agreement concerning a small but important internal claim block. The Company intends to find another funding partner for the project.

2) **Los Chinos Project, Sonora, Mexico, Gold, 100%:**
   This project targets orogenic-style gold deposits. It is located along a juxtaposed contact of high grade Proterozoic metamorphic rocks against relatively un-metamorphosed but deformed metasedimentary rocks of Jura-Cretaceous age. Several known gold showings suggest a favourable exploration environment. An integrated exploration program comprised of induced polarization and magnetic geophysical surveys, extensive soil sampling, and geological mapping was carried out in 2016. Trenching and drilling of anomalous zones was completed late in the year. While good structures with alteration were intersected, only weak gold intersections were returned. Centerra terminated its option and Millrock has been seeking a partner.

3) **Ramard Project, Sonora, Mexico, epithermal / vein, skarn and porphyry Gold and base metals 100%:**
The claims cover a historic, polymetallic stream sediment anomaly as well as a known epithermal stockwork vein showing. Two areas of high grade gold in vein float (boulders) with magnetite stockworks are present. Additionally, a large skarn system was recently discovered. The skarn contained anomalous silver, lead and zinc. Millrock carried out soil sampling and prospecting on the claims in 2015, and has been marketing the project to potential partners. The Company has had difficulty gaining access to an important portion of the property. The surface owner, a rancher, does not want exploration being carried out while the ranch is for sale. Millrock continues to monitor the status and will approach the new owners if the ranch is sold.

4) **Guadalcazar Project, San Luis Potosí, Central Mexico, Gold-Silver, 100% Option from Servicio Geologico Mexico:**
At this project a silver-bearing skarn zone is known. Pembrook, from a 2013 drilling program, has reported high grade silver over significant drill intervals including 22 m @ 148 grams per tonne silver. A funding partner is being sought.

5) **La Navidad Project, Sonora, Mexico, Gold, Option to Purchase 100%:**
Millrock entered an option to purchase a 100% interest in the La Navidad gold property from underlying owner Western Mining and simultaneously entered an agreement with Centerra by which Centerra can earn an 80% interest in the project by meeting the terms of the underlying agreement with Western Mining. The project targets orogenic gold deposits. There is evidence and indicators of such deposits on the property. Prior drilling intersected low-angle quartz veins containing gold. The adjacent wall rocks are also known to be mineralized with low grade gold. Extensive alteration zones indicate a robust mineralizing system that may have produced a large gold deposit. Exploration has proceeded rapidly since the project was started in the middle of 2017. Induced polarization and magnetic geophysical surveys were conducted. Geological mapping and prospecting was also done. Soil sampling was done throughout the property and three main mineralized zones detected. A drilling program was mounted in late 2017 and results were reported during the first quarter. The results confirmed prior drilling results as reported in a March 6, 2018 news release. In the second quarter Millrock started a Phase II drilling program. The results of the program were reported in a press release on August 9, 2018. During the third quarter more mapping and trenching was done in the El Represo area in the northwest part of the claim block. Drilling on prospects developed at El Represo began subsequent to the quarter end.

6) **El Picacho, Sonora, Mexico, Gold, Option to Purchase 100%:**
Millrock entered an option to purchase a 100% interest in the El Picacho gold property located in northern Sonora, Mexico in the first quarter of 2017. This was a project that had been recommended to Centerra to become a Designated Project under the Sonora Strategic Alliance previously in effect between the companies.

To earn the interest (which includes both the surface and subsurface estate) from the owners who are private individuals, Millrock must make cash payments totaling US$1,723,500 over the course of the four year option period. Simultaneously with signing the option agreement Millrock also made an agreement with Centerra by which Centerra can earn an 80% interest in the project by meeting the terms of the underlying agreement up until the point that Centerra has expended $US 2.0 million.

The project targets orogenic gold deposits. There is evidence and indicators of such deposits on the property. The project attributes are further described in a Millrock press release dated June 8, 2017.

Drilling was carried out during the quarter. QA/QC checks have been ongoing and results are pending release.

7) **Violeta, Sonora, Mexico, Gold**: On January 31, 2017 Millrock announced that it has sold a Mexican concession named Violeta to Riverside Resources Inc. Consideration paid by Riverside for the concession is $10,000 and 100,000 Riverside shares. Additionally, Riverside has granted a 0.5% Net Smelter Returns royalty to Millrock.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Sept. 30 2018 Q3	Jun. 30 2018 Q2	Mar. 31 2018 Q1	Dec. 31 2017 Q4	Sept. 30 2017 Q3 (restated)	Jun. 30 2017 Q2	Mar. 31 2017 Q1	Dec. 31 2016 Q4
Mineral expenditures	69,290	445,098	278,871	652,187	(829,369)	169,206	280,945	224,899
Overhead Recovery Fees	460,302	355,838	110,607	265,569	233,172	58,467	93,095	106,037
G&A expense (including stock-based comp.)	597,594	854,657	981,753	775,632	399,438	765,046	1,219,556	841,065
Stock-based compensation	-		171,054	-	-	-	528,088	-
Mineral properties write-off	58,408		-	-	-	-	-	146,185
Net Income/(loss) before tax	$ (141,986)	$ (1,657,847)	$ (554,606)	$ (832,378)	$ 2,202,738	$ (706,579)	$ (1,126,461)	$ (868,572)
Loss per share (basic)	(0.00)	(0.03)	(0.01)	(0.01)	0.04	(0.01)	(0.02)	(0.02)
Loss per share (diluted)	(0.00)	(0.02)	(0.01)	(0.01)	0.03	(0.01)	(0.01)	(0.01)

Note: The Company has reassessed its accounting for its gain on disposal of mineral property and noted that Q3 2017 had initially recorded the gain in Other Comprehensive Income. As a result, the Company's consolidated statement of net loss and other comprehensive loss did not reflect the appropriate gain. This has been corrected retrospectively in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, resulting in the adjustment of prior year financial information.

As a result of the error, the following adjustments were made to the consolidated financial statements:

Increase in Q3 income resulting in a net income of $2,202,738

The effect on gain per share related to the restatement in Q3 2017 was a gain of $0.04 per share.

In the third quarter of 2017 the company recovered capitalized project costs from prior periods which were in excess of the exploration and evaluation expenditures in the quarter and led the Mineral expenditures line to be negative for the quarter.

The company recognized the bulk of its revenue via Overhead Recovery Fees in both the third quarters of 2018 and 2017. In 2018 Overhead Recovery Fees were split between projects in Mexico and Alaska.

Millrock has observed seasonality in the past in regards to Overhead Recovery Fees as these are charged on earn-in projects where the Company conducts most of its Alaska exploration in the second and third quarters of the year. As the Company actively markets properties in geographically diverse jurisdictions it hopes to offset the seasonality with Mexican property exploration occurring primarily in the first and fourth quarters of the year. The earn-in agreements with Centerra on two Mexican properties helped generate income in the first quarter. There was also work performed on Alaskan properties for two earn-in partners this quarter.

The stock based compensation shown on the table for the first quarter of 2017 and 2018 is for the issuance of stock options to employees.

G&A expenses typically remain fairly consistent throughout the years. There is a slight decrease of expense items in the second and third quarters of the years as employees are more fully engaged on active exploration projects and therefore costs being capitalized to those projects. Stock based compensation is typically issued during the first quarter of a year, but can vary in valuation.

The net loss and loss per share see an increase in the fourth quarter of 2016 because of the property write offs that occurred in the quarter. In the second quarter of 2018 the increased loss per share is greatly attributed to the unrealized losses on marketable securities now being reported in net losses before other comprehensive loss as per the adoption of IFRS 9. The third quarter of 2018 had a small mineral property write-off attributed to the disposal of BC properties to Sojourn Exploration.

The Company holds most of its cash in CAD, this can negatively impacts expenses and exploration costs incurred in the USA during periods where the US dollar strengthens compared to the Canadian dollar. It also has a negative impact on potential partner companies for US projects that also raise financing denominated in CAD.

Additional Disclosure for Venture Issuers Without Significant Revenue

As the Company has had little revenue since inception, the following is a breakdown of the material costs incurred:

	Nine Months Ended	Nine Months Ended	Nine Months Ended
	September 30, 2018	September 30, 2017	September 30, 2016
Stock-based compensation	171,054	416,106	257,412
Investor relations	419,119	450,749	276,675
Office and miscellaneous	591,397	576,981	375,667
Consulting, directors and salaries	570,732	438,875	693,130
General Exploration	321,922	305,827	125,254
Accounting, audit and legal	254,889	169,502	186,955
Amortization and depreciation	26,818	25,956	11,692

The Company's annual financial results for the quarters ended September 30, 2018, 2017, and 2016 have been prepared in accordance with IFRS.

Quarter Ended September 30, 2018 Compared to the Quarter Ended September 30, 2017

The Company had overhead recovery fees of $460,302 for the quarter ended September 30, 2018 compared to overhead recovery fees of $233,172 for the quarter ended September 30, 2017, and a net operating loss of $1,301,015 as compared to its net operating gain of $2,661,827 for the third quarter 2017. The revenue is attributable to overhead recovery fees received from earn in partners. In 2017 the majority of overhead recovery fees were earned from Mexican projects, but in 2018 revenue was earned in Alaska and Mexico. The gain in the third quarter of 2017 was from the receipt of shares in PolarX in exchange for the Company's Stellar property.

General and Administrative expenses overall for the quarter ended September 30, 2018 totaled $597,594 as compared to $399,438 for the corresponding quarter end 2017. The five largest expense items for the quarter ended September 30, 2018 are:

- Office and miscellaneous expenses of $193,547;
- Consulting, director and salary expenses of $123,003;
- Investor relation expenses of $85,853,
- Foreign exchange loss expenses of $74,595.
- General exploration expenses of $57,734;

These items comprise approximately 89% of the total general and administrative expenses of the Company.

The Nine Months Ended September 30, 2018 Compared to the Nine Months Ended September 30, 2017

The Company had revenue of $926,747 for the nine months ended September 30, 2018 compared to $384,734 of revenue for the nine months ended September 30, 2017, and a net loss before other comprehensive loss of $2,354,439, as compared to $846,022 for its net gain before other comprehensive loss for the nine months ended September 30, 2017.

General & administrative expenses overall for the nine months ended September 30, 2018 totalled $2,434,004 as compared to $2,384,040 for the same period in 2017. The five largest expense items are:

- Office and miscellaneous expenses of $591,397;
- Consulting, director and salary costs of $570,732;
- Investor relation expenses of $419,119;
- General exploration expenses of $321,922;
- Accounting, audit and legal expenses of $254,889

These items comprise approximately 88% of the total general and administrative expenses of the Company.

Office and miscellaneous expenses relative to the total general and administrative expenses for the nine months ended September 30, 2018 amount to approximately 24% compared to 24% for the same period 2017. The Company had slightly increased office and miscellaneous expense in the third quarter of 2018, but was very comparable between the two periods.

Consulting, directors, and salaries costs as a portion of the total general and administrative expenses for the nine months ended September 30, 2018 was approximately 24% compared to 18% for the nine months ended September 30, 2017. The increase of expensed salary costs was for additional staffing needed in Mexico and Alaska to support the exploration programs.

Investor relations expenses as a portion the Company's administrative expenses for nine months ended September 30, 2018 were approximately 17% compared to 19% for the same period ended 2017. The cost of investor relations expenses was very close to the prior period, but a lower percentage of overall because September 30, 2018 total general and administrative expenses were higher.

General exploration expenses relative to the Company's administrative expenses for the nine months ended September 30, 2018 was approximately 13% compared to 13% for nine months ended September 30, 2017. General exploration was slightly higher in the period for 2018 as the company was actively pursuing projects in Mexico and the Southwest US.

Accounting, audit, and legal costs relative to the total general and administrative expenses for the nine months ended September 30, 2018 amount to approximately 11% compared to

7% for the same period in 2017. The Company has incurred higher legal and accounting costs in 2018 due to changes in accounting consultants.

Liquidity and Capital Resources

As of September 30, 2018, the Company has accumulated a deficit of $37,066,295 and has working capital of $2,775,470 based on current assets of $4,578,273 and current liabilities of $1,802,803.

The Company realizes income from option agreement payments, and from management fees it collects as the operator of earn in projects (option payments are recorded against the related property cost and not considered revenue until the property is reduced to zero but overhead recovery fees are recorded as revenue). These funds can cover a significant portion of the Company's overhead costs. The Company relies on equity financing to fund generative exploration programs on its open ground and on some of its properties. There are 5,260,000 options and 34,741,721 warrants outstanding as of the report date. Funding for most of the property exploration carried out by Millrock comes from partner companies earning in to Millrock's projects. Management has carried out an assessment of the going concern assumption and has concluded that the Company may not have sufficient cash and cash equivalents and other financial assets to continue operating at current levels for the ensuing twelve months. The Company's forecast indicates the existence of uncertainty that raises significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to continue some of its existing partnerships, partner additional exploratory prospects, generate overhead recovery fees, and receipt of option payments. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, and by making earn-in agreements with partner companies there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financings will be favourable.

Related Party Transactions

The Company incurred charges with key management personnel and companies with directors and officers in common as follows:

	Nine Months Ended September 30	
	2018	**2017**
Consulting, directors and compensation	$ 502,225	$ 369,720
Stock based compensation	203,674	553,122
	$ 705,899	**$ 922,842**

These charges were in the normal course of operations and were measured by the exchange amount which is the amount agreed upon by the transacting parties.

As of September 30, 2018, there was $14,000 (December 31, 2017: $10,000) due to related parties for accrued directors' fees. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant areas requiring the use of management estimates include assumptions and estimates relating to determining defined proven and probable reserves, value beyond proven and probable reserves, fair values for purposes of purchase price allocations for business acquisitions, asset impairment analysis, valuation of derivative contracts, determination of recoverable metal on leach pads, reclamation obligations, share-based payments and warrants, pension benefits, valuation allowances for deferred income tax assets, the provision for income tax liabilities, deferred income taxes and assessing and evaluating contingencies. Actual results could differ from these estimates.

The most significant accounting estimates for the Company relate to the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed on a property-by-property basis to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, earn-in expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value.

Management's estimates of mineral prices, recoverable proven and probable reserves and operating, capital and reclamation costs are subject to certain risks and uncertainties, which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties.

Another significant accounting estimate relates to accounting for stock-based compensation. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted or vested during the year.

Changes in Accounting Policies

Basis of Preparation

The Company prepares its consolidated financial statements in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are effective as of December 31, 2012.

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next twelve months. Realization value may be substantially different from carrying value as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. As of September 30, 2018 the Company had not yet achieved profitable operations, but had working capital of $2,775,470 (December 31, 2017: $4,334,143). The Company's ability to continue as a going concern is dependent upon its ability to generate revenue from overhead recovery fees and option payments.

IFRS Standards Adopted

IFRS 9 Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

a) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification IAS 39	New classification IFRS 9
Cash and cash equivalents	amortized cost	amortized cost
Security deposits and restricted cash	amortized cost	amortized cost
Accounts receivables	amortized cost	amortized cost
Marketable securities	FVOCI	FVTPL
Accounts payable and accrued liabilities	amortized cost	amortized cost
Note payable	amortized cost	amortized cost
Due to related parties	amortized cost	amortized cost

The Statement of changes in stockholders' equity shows the impact of the adoption of IFRS 9 to the opening accumulated deficit on January 1, 2018.

b) Measurement

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and

unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

c) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

d) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets.

IFRS 15 Revenue from Contracts with Customers

On January 1, 2018, the Company adopted IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 18 – Revenue ("IAS 18"). IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018. The Company adopted the standard on January 1, 2018 using the full retrospective approach.

As the Company already observed a similar revenue recognition process, there was no impact on adoption of IFRS 15.
IFRS 15 requires entities to recognize revenue when 'control' of goods or services transfers to the customer whereas the previous standard, IAS 18, required entities to recognize revenue when the 'risks and rewards' of the goods or services transfer to the customer.

Revenue for the Company is derived from overhead recovery fees. It is recognized when the services are provided, when persuasive evidence of an arrangement exists, the fixed price is determinable, and there is reasonable assurance of collection. Overhead recovery fees are generated when the Company operates an exploration program under a budget approved by the earn-in partner. The Company charges the earn-in partner a pre-determined fee based on a percentage of the total exploration expenditures incurred.

IFRS Standards Issued But Not Yet Effective

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). This standard is effective for annual periods beginning on or after January 1, 2019, and permits early adoption provided that IFRS 15 is also adopted. The objective of IFRS 16 is to bring all leases on-balance sheet for lessees. IFRS 16 requires lessees to recognize a "right of use" asset and liability calculated using a prescribed methodology. The Company is assessing IFRS 16's impact on its financial statements and has not yet determined the impact.

Management intends to adopt the above standard in the Company's consolidated financial statements as of the effective date, and is currently considering the impact of the adoption of these standards.

Financial Instruments and Other Instruments

i) Fair Value of Financial Instruments

The Company's financial instruments that are measured at fair market value on a recurring basis in periods subsequent to initial recognition and the fair value hierarchy used to measure them has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The company's financial instruments include: cash and equivalents, accounts receivable, marketable securities, prepaid expenses, accounts payable, and due to related parties. The carrying value of cash and equivalents, accounts receivable, and accounts payable approximates their fair values. The Company has no financial instruments whose fair values are measured using level 2 or level 3 inputs.

ii) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and amounts receivable are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalent by placing these instruments with large financial institutions. Deposits are insured by the governments up to US$250,000 in the US and CAN$100,000 in Canada, therefore the maximum amount that may be exposed to credit risk totaling cash, restricted cash, and amounts receivable for the nine months ended September 30, 2018 is $1,473,142.

iii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current.

iv) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has cash and working capital items of $293,387 (September 30, 2017: $299,046) denominated in US dollars. A ten percent change in the exchange rate would result in a $29,338 (September 30, 2017: $29,905) impact to the Company's net income (loss). The Company has Mexican peso cash and working capital items of $122,747 (September 30, 2017: $176,664). A ten percent change in the exchange rate would result in $12,275 (September 30, 2017: $17,666) impact to the Company's net income (loss). The Company does not have a formal policy to manage risk; however, management actively monitors movement in foreign currency and forecasts foreign currency payments. Foreign exchange risk is mitigated by the offset of assets against liabilities and the risk is not significant.

v) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the period in consolidated financial statements is interest income on Canadian dollar cash and cash equivalents and interest expense on the note payable. The Company is not exposed to significant interest rate risk.

vi) Management of Capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to pursue the exploration and development of its mineral properties, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments in response to changing economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or bring in earn-in partners. Due to the Company's business, the Company regularly enters into earn-in agreements where funds are forwarded to the Company in accordance with the agreement. As such, these funds are restricted.

Commitments

The Company is committed to pay the following in office rentals for future years:

Year	Payments
2018	$ 76,315
2019	$ 77,552
2020	$ 78,826

Share Capital

i) Authorized

Unlimited common shares without par value.

ii) Issued and outstanding common shares for the quarter ended September 30, 2018 was 56,890,123.

Legal Claims and Contingent Liabilities

At September 30, 2018, there were no material legal claims or contingent liabilities outstanding.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Subsequent Events

Millrock sold 9,203,968 PolarX shares for proceeds of $359,063USD on November 6, 2018.

Kinross advised Millrock that it will terminate the option agreement concerning the Liberty Bell project effective December 3, 2018.

Disclosure of Outstanding Share Data

The following table summarizes the number of common shares, stock options and share purchase warrants as of November 27, 2018:

	Amount	Exercise Price	Expiry Date
Common Shares outstanding as of December 31, 2017	56,890,123		
Warrants	2,009,000	$1.00	June 19, 2019
	8,090,000	$0.70	October 21, 2019
	428,000	$0.50	October 21, 2019
	35,040	$0.70	October 21, 2019
#	4,139,021	$0.40	December 10, 2019
	12,400,660	$0.44	May 25, 2019
*	6,970,000	$0.35	December 15, 2020
Employee Stock Options	1,010,000	$0.50	March 13, 2020
	1,400,000	$0.25	February 4, 2021
	1,530,000	$0.50	January 12, 2022
	75,000	$0.37	August 10, 2022
	1,245,000	$0.23	March 26, 2023
Fully Diluted Shares Outstanding	96,221,844		

Note these warrants have tiered exercise price of $0.22 until Dec. 10, 2016, $0.30 until Dec. 10, 2017, and $0.40 thereafter until Dec. 10, 2019

* Note these warrants have tiered exercise price of $0.35 until Dec. 15, 2018, $0.45 until Dec. 15, 2019, and $0.55 thereafter until Dec. 15, 2020

The following table summarizes the weighted average of stock options and share purchase warrants as of November 27, 2018:

	Number of Share	Weighted Average Exercise Price ($CDN)
Incentive stock options	5,260,000	$ 0.37
Share purchase warrants	34,071,721	$ 0.53
	39,331,721	-

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Director & Chairman, Audit Committee

LISTINGS

TSX Venture Exchange: **MRO**
OTC Markets Group (OTCQX): **MLRKF**

CAPITALIZATION
(as at November 27, 2018)

Shares Authorized: Unlimited
Shares Issued: 56,890,123

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